

(Added Pub. L. 102-40, title IV, § 401(b)(5), May 7, 1991, 105 Stat. 237; amended Pub. L. 102-405, title III, § 302(c)(1), Oct. 9, 1992, 106 Stat. 1984.)

#### PRIOR PROVISIONS

Provisions similar to those in this section were contained in section 4122 of this title prior to the repeal of that section as part of the complete revision of chapter 73 of this title by Pub. L. 102-40.

#### AMENDMENTS

1992—Pub. L. 102-405 substituted “Under Secretary for Health” for “Chief Medical Director” wherever appearing.

### § 7473. Personnel eligible for training

(a) The Under Secretary for Health shall determine the manner in which personnel are to be selected for training in the Centers. Preference shall be given to career personnel of the Administration.

(b) To the extent that facilities are available medical and health personnel from outside the Administration may, on a reimbursable basis, be provided training in the Centers. Such reimbursement may include reciprocal training of personnel of the Administration provided under sharing arrangements entered into by the Under Secretary for Health and the heads of the entities providing such reciprocal training. Any amounts received by the United States as reimbursement under this subsection shall be credited to the applicable Department medical appropriation account.

(Added Pub. L. 102-40, title IV, § 401(b)(5), May 7, 1991, 105 Stat. 237; amended Pub. L. 102-405, title III, § 302(c)(1), Oct. 9, 1992, 106 Stat. 1984.)

#### PRIOR PROVISIONS

Provisions similar to those in this section were contained in section 4123 of this title prior to the repeal of that section as part of the complete revision of chapter 73 of this title by Pub. L. 102-40.

#### AMENDMENTS

1992—Pub. L. 102-405 substituted “Under Secretary for Health” for “Chief Medical Director” in subsecs. (a) and (b).

### § 7474. Consultation

The Under Secretary for Health shall carry out this subchapter after consultation with the special medical advisory group established pursuant to section 7312(a) of this title.

(Added Pub. L. 102-40, title IV, § 401(b)(5), May 7, 1991, 105 Stat. 238; amended Pub. L. 102-405, title III, § 302(c)(1), Oct. 9, 1992, 106 Stat. 1984.)

#### PRIOR PROVISIONS

Provisions similar to those in this section were contained in section 4124 of this title prior to the repeal of that section as part of the complete revision of chapter 73 of this title by Pub. L. 102-40.

#### AMENDMENTS

1992—Pub. L. 102-405 substituted “Under Secretary for Health” for “Chief Medical Director”.

## [CHAPTER 75—RENUMBERED]

#### CODIFICATION

Former chapter 75 which consisted of sections 4201 to 4210 was renumbered chapter 78 of this title and trans-

ferred to follow chapter 76 of this title, and sections 4201 to 4210 were renumbered sections 7801 to 7810 of this title, respectively.

## CHAPTER 76—HEALTH PROFESSIONALS EDUCATIONAL ASSISTANCE PROGRAM

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- [7684. Repealed.]

#### AMENDMENTS

2002—Pub. L. 107-135, title I, §§ 101(a)(2), 102(a)(2), Jan. 23, 2002, 115 Stat. 2447, 2448, struck out items 7676 “Expiration of program” and 7684 “Expiration of program”.

1998—Pub. L. 105-368, title VIII, §§ 802(b), 803(b), Nov. 11, 1998, 112 Stat. 3356, 3358, added headings for subchapters VI and VII and items 7671 to 7676 and 7681 to 7684.

1991—Pub. L. 102-40, title IV, § 402(c)(1), May 7, 1991, 105 Stat. 239, renumbered items 4301 to 4355 as 7601 to 7655, respectively.

1990—Pub. L. 101-366, title II, §205(a)(2), Aug. 15, 1990, 104 Stat. 440, added heading for subchapter V and items 4351 to 4355.

#### CHAPTER REFERRED TO IN OTHER SECTIONS

This chapter is referred to in sections 7324, 7431 of this title.

### SUBCHAPTER I—GENERAL

#### § 7601. Establishment of program; purpose

(a) There is hereby established a program to be known as the Department of Veterans Affairs Health Professionals Educational Assistance Program (hereinafter in this chapter referred to as the "Educational Assistance Program"). The program consists of—

- (1) the scholarship program provided for in subchapter II of this chapter;
- (2) the tuition reimbursement program provided for in subchapter III of this chapter;
- (3) the Selected Reserve member stipend program provided for under subchapter V of this chapter;
- (4) the employee incentive scholarship program provided for in subchapter VI of this chapter; and
- (5) the education debt reduction program provided for in subchapter VII of this chapter.

(b) The purpose of the Educational Assistance Program is to assist in providing an adequate supply of trained health-care personnel for the Department and the Nation.

(Added Pub. L. 100-322, title II, §216(b), May 20, 1988, 102 Stat. 518, §4301; amended Pub. L. 101-366, title II, §205(c)(1), Aug. 15, 1990, 104 Stat. 441; renumbered §7601, Pub. L. 102-40, title IV, §402(b)(1), May 7, 1991, 105 Stat. 238; Pub. L. 102-83, §4(a)(2)(B)(vi), (3), (4), Aug. 6, 1991, 105 Stat. 403, 404; Pub. L. 103-446, title XII, §1201(e)(25), Nov. 2, 1994, 108 Stat. 4686; Pub. L. 105-368, title VIII, §805(1), Nov. 11, 1998, 112 Stat. 3358.)

#### AMENDMENTS

1998—Subsec. (a)(4), (5). Pub. L. 105-368 added pars. (4) and (5).

1994—Subsec. (a)(1). Pub. L. 103-446 substituted semicolon for comma at end.

1991—Pub. L. 102-40 renumbered section 4301 of this title as this section.

Subsec. (a). Pub. L. 102-83, §4(a)(2)(B)(vi), substituted "Department of Veterans Affairs" for "Veterans' Administration" in introductory provisions.

Subsec. (b). Pub. L. 102-83, §4(a)(3), (4), substituted "Department" for "Veterans' Administration".

1990—Subsec. (a)(3). Pub. L. 101-366 added par. (3).

#### PAYMENTS TO HEALTH-CARE PROFESSIONAL EMPLOYEES FOR TUITION LOANS

Pub. L. 102-585, title V, §523(b), Nov. 4, 1992, 106 Stat. 4959, provided that Secretary of Veterans Affairs could not provide payments to health-care professional employees of Department of Veterans Affairs for payment of tuition loans, prior to repeal by Pub. L. 105-368, title VIII, §804, Nov. 11, 1998, 112 Stat. 3358.

#### TUITION LOAN PAYMENT PROGRAM

Pub. L. 102-389, title I, Oct. 6, 1992, 106 Stat. 1574, provided in part for an appropriation: "For payment of outstanding tuition loans to Department of Veterans Affairs health care professional employees (excluding physicians and dentists) who agree to remain in service

for one year or more, \$5,000,000, to remain available until September 30, 1994: *Provided*, That the Secretary, in order to recruit and retain such employees, may make such payments, not to exceed \$3,000 during any calendar year, or \$12,000 in total, to any such employee who has an outstanding tuition loan from an educational institution approved by the Secretary that has led to a degree in the health care occupation in which such individual is employed: *Provided further*, That no payment shall be made in advance: *Provided further*, That regulations shall be promulgated by the Secretary to implement this program."

#### § 7602. Eligibility

(a)(1) To be eligible to participate in the Educational Assistance Program under subchapter II, III, or VI of this chapter, an individual must be accepted for enrollment or be currently enrolled as a student at a qualifying educational institution in a course of education or training that is approved by the Secretary and that leads toward completion of a degree in a field of education or training for which a scholarship may be awarded under subchapter II of this chapter, for which tuition reimbursement may be provided under subchapter III of this chapter, or for which a scholarship may be awarded under subchapter VI of this chapter, as the case may be.

(2) A qualifying educational institution for purposes of this section is an educational institution that is in a State and that (as determined by the Secretary) is an accredited institution.

(b) An individual is not eligible to apply to participate in the Educational Assistance Program under subchapter II, III, or VI of this chapter if the individual is obligated under any other Federal program to perform service after completion of the course of education or training of such individual referred to in subsection (a) of this section.

(Added Pub. L. 100-322, title II, §216(b), May 20, 1988, 102 Stat. 518, §4302; amended Pub. L. 101-366, title II, §205(c)(2), Aug. 15, 1990, 104 Stat. 441; renumbered §7602, Pub. L. 102-40, title IV, §402(b)(1), May 7, 1991, 105 Stat. 238; Pub. L. 102-83, §4(b)(1), (2)(E), Aug. 6, 1991, 105 Stat. 404, 405; Pub. L. 105-368, title VIII, §805(2), Nov. 11, 1998, 112 Stat. 3358.)

#### AMENDMENTS

1998—Subsec. (a)(1). Pub. L. 105-368, §805(2)(A), substituted "subchapter II, III, or VI" for "subchapter I or II", substituted ", for which" for "or for which", and inserted before period at end ", or for which a scholarship may be awarded under subchapter VI of this chapter, as the case may be".

Subsec. (b). Pub. L. 105-368, §805(2)(B), substituted "subchapter II, III, or VI" for "subchapter I or II".

1991—Pub. L. 102-40 renumbered section 4302 of this title as this section.

Subsec. (a). Pub. L. 102-83 substituted "Secretary" for "Administrator" in pars. (1) and (2).

1990—Subsecs. (a)(1), (b). Pub. L. 101-366 inserted "under subchapter I or II of this chapter" after "Educational Assistance Program".

#### SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 7612, 7672 of this title.

#### § 7603. Application and acceptance

(a)(1) To apply to participate in the Educational Assistance Program under subchapter

II, III, V, or VI of this chapter, an individual shall submit to the Secretary an application for such participation together with an agreement described in section 7604 of this title under which the participant agrees to serve a period of obligated service in the Veterans Health Administration as provided in the agreement in return for payment of educational assistance as provided in the agreement.

(2) To apply to participate in the Educational Assistance Program under subchapter VII of this chapter, an individual shall submit to the Secretary an application for such participation.

(b)(1) An individual becomes a participant in the Educational Assistance Program upon the Secretary's approval of the individual's application and the Secretary's acceptance of the agreement (if required).

(2) Upon the Secretary's approval of an individual's participation in the program, the Secretary shall promptly notify the individual of that approval. Such notice shall be in writing.

(c)(1) In distributing application forms and agreement forms to individuals desiring to participate in the Educational Assistance Program, the Secretary shall include with such forms the following:

(A) A fair summary of the rights and liabilities of an individual whose application is approved (and whose agreement is accepted) by the Secretary, including a clear explanation of the damages to which the United States is entitled if the individual breaches the agreement.

(B) A full description of the terms and conditions that apply to participation in the Educational Assistance Program and service in the Veterans Health Administration.

(2) The Secretary shall make such application forms and other information available to individuals desiring to participate in the Educational Assistance Program on a date sufficiently early to allow such individuals adequate time to prepare and submit such forms.

(d) In selecting applicants for acceptance in the Educational Assistance Program, the Secretary shall give priority to the applications of individuals who have previously received educational assistance under the program and have not completed the course of education or training undertaken under such program.

(Added Pub. L. 100-322, title II, §216(b), May 20, 1988, 102 Stat. 518, §4303; renumbered §7603 and amended Pub. L. 102-40, title IV, §402(b)(1), (d)(1), May 7, 1991, 105 Stat. 238, 239; Pub. L. 102-83, §4(b)(1), (2)(E), Aug. 6, 1991, 105 Stat. 404, 405; Pub. L. 103-446, title XII, §1201(b)(1), Nov. 2, 1994, 108 Stat. 4682; Pub. L. 105-368, title VIII, §805(3), Nov. 11, 1998, 112 Stat. 3359; Pub. L. 106-419, title IV, §404(a)(10), Nov. 1, 2000, 114 Stat. 1865.)

#### AMENDMENTS

2000—Subsec. (a)(1). Pub. L. 106-419 substituted “subchapter” for “subsection”.

1998—Subsec. (a). Pub. L. 105-368, §805(3)(A), designated existing provisions as par. (1), substituted “To apply to participate in the Educational Assistance Program under subsection II, III, V, or VI of this chapter,” for “To apply to participate in the Educational Assistance Program,” and added par. (2).

Subsec. (b)(1). Pub. L. 105-368, §805(3)(B), inserted “(if required)” before period at end.

1994—Subsecs. (a), (c)(1)(B). Pub. L. 103-446 substituted “Veterans Health Administration” for “Department of Medicine and Surgery”.

1991—Pub. L. 102-40, §402(b)(1), renumbered section 4303 of this title as this section.

Subsec. (a). Pub. L. 102-83 substituted “Secretary” for “Administrator”.

Pub. L. 102-40, §402(d)(1), substituted “7604” for “4304”.

Subsecs. (b) to (d). Pub. L. 102-83 substituted “Secretary” for “Administrator” and “Secretary’s” for “Administrator’s” wherever appearing.

#### SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 7612, 7616, 7617, 7622, 7623, 7652, 7653, 7654, 7672, 7674, 7675 of this title.

#### § 7604. Terms of agreement

An agreement between the Secretary and a participant in the Educational Assistance Program shall be in writing, shall be signed by the participant, and shall include the following provisions:

(1) The Secretary's agreement—

(A) to provide the participant with educational assistance as authorized in subchapter II, III, V, or VI of this chapter and specified in the agreement; and

(B) to afford the participant the opportunity for employment in the Veterans Health Administration (subject to the availability of appropriated funds for such purpose and other qualifications established in accordance with section 7402 of this title).

(2) The participant's agreement—

(A) to accept such educational assistance;

(B) to maintain enrollment and attendance in the course of training until completed;

(C) while enrolled in such course, to maintain an acceptable level of academic standing (as determined by the educational institution offering such course of training under regulations prescribed by the Secretary); and

(D) after completion of the course of training, to serve as a full-time employee in the Veterans Health Administration as specified in the agreement in accordance with subchapter II, III, V, or VI of this chapter.

(3) A provision that any financial obligation of the United States arising out of an agreement entered into under this chapter, and any obligation of the participant which is conditioned on such agreement, is contingent upon funds being appropriated for educational assistance under this chapter.

(4) A statement of the damages to which the United States is entitled under this chapter for the participant's breach of the agreement.

(5) Such other terms as are required to be included in the agreement under subchapter II, III, V, or VI of this chapter or as the Secretary may require consistent with the provisions of this chapter.

(Added Pub. L. 100-322, title II, §216(b), May 20, 1988, 102 Stat. 519, §4304; amended Pub. L. 101-366, title II, §205(c)(3), Aug. 15, 1990, 104 Stat. 441; renumbered §7604 and amended Pub. L. 102-40, title IV, §§402(b)(1), 403(b)(3), May 7, 1991,

105 Stat. 238, 239; Pub. L. 102-83, §4(b)(1), (2)(E), Aug. 6, 1991, 105 Stat. 404, 405; Pub. L. 103-446, title XII, §1201(b)(1), (e)(26), Nov. 2, 1994, 108 Stat. 4682, 4686; Pub. L. 105-368, title VIII, §805(4), Nov. 11, 1998, 112 Stat. 3359.)

#### AMENDMENTS

1998—Pub. L. 105-368 substituted “subchapter II, III, V, or VI” for “subchapter II, III, or V” in pars. (1)(A), (2)(D), and (5).

1994—Pub. L. 103-446, §1201(e)(26), substituted “subchapter II” for “subchapters II” in pars. (1)(A), (2)(D), and (5).

Pub. L. 103-446, §1201(b)(1), substituted “Veterans Health Administration” for “Department of Medicine and Surgery” in pars. (1)(B) and (2)(D).

1991—Pub. L. 102-40, §402(b)(1), renumbered section 4304 of this title as this section.

Pub. L. 102-83 substituted “Secretary” for “Administrator” and “Secretary’s” for “Administrator’s” wherever appearing.

Pub. L. 102-40, §403(b)(3), substituted “7402” for “4105” in par. (1)(B).

1990—Pars. (1)(A), (2)(D), (5). Pub. L. 101-366 substituted “subchapters II, III, or V” for “subchapter II or III”.

#### SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 7603, 7612, 7622, 7672 of this title.

### SUBCHAPTER II—SCHOLARSHIP PROGRAM

#### SUBCHAPTER REFERRED TO IN OTHER SECTIONS

This subchapter is referred to in sections 7601, 7602, 7603, 7604 of this title.

#### § 7611. Authority for program

As part of the Educational Assistance Program, the Secretary shall carry out a scholarship program under this subchapter. The program shall be known as the Department of Veterans Affairs Health Professional Scholarship Program (hereinafter in this chapter referred to as the “Scholarship Program”).

(Added Pub. L. 100-322, title II, §216(b), May 20, 1988, 102 Stat. 520, §4311; renumbered §7611, Pub. L. 102-40, title IV, §402(b)(1), May 7, 1991, 105 Stat. 238; amended Pub. L. 102-83, §4(a)(2)(B)(vi), (b)(1), (2)(E), Aug. 6, 1991, 105 Stat. 403-405.)

#### AMENDMENTS

1991—Pub. L. 102-40 renumbered section 4311 of this title as this section.

Pub. L. 102-83 substituted “Secretary” for “Administrator” and “Department of Veterans Affairs” for “Veterans’ Administration”.

#### SUBMISSION OF OVERDUE REPORT

Pub. L. 105-114, title II, §207(b), Nov. 21, 1997, 111 Stat. 2289, provided that: “The Secretary of Veterans Affairs shall submit to Congress not later than 180 days after the date of the enactment of this Act [Nov. 21, 1997] the report evaluating the operation of the health professional scholarship program required to be submitted not later than March 31, 1997, under section 202(b) of Public Law 104-110 (110 Stat. 770) [set out below].”

#### HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM

Pub. L. 104-110, title II, §202(b), Feb. 13, 1996, 110 Stat. 770, provided that:

“(1) The Secretary shall submit to Congress, not later than March 31, 1997, a report setting forth the results of a study evaluating the operation of the health professional scholarship program under subchapter II of

chapter 76 of title 38, United States Code. The study shall evaluate the efficacy of the program with respect to recruitment and retention of health care personnel for the Department of Veterans Affairs and shall compare the costs and benefits of the program with the costs and benefits of alternative methods of ensuring adequate recruitment and retention of such personnel.

“(2) The Secretary shall carry out the study under this paragraph through a private contractor. The report under paragraph (1) shall include the report of the contractor and the comments, if any, of the Secretary on that report.”

#### § 7612. Eligibility; application; agreement

(a)(1) Except as provided in paragraph (2) of this subsection, an individual must be accepted for enrollment or be enrolled (as described in section 7602 of this title) as a full-time student to be eligible to participate in the Scholarship Program.

(2) An individual who is an eligible Department employee may be accepted as a participant if accepted for enrollment or enrolled (as described in section 7602 of this title) for study on less than a full-time but not less than a half-time basis. (Such a participant is hereinafter in this subchapter referred to as a “part-time student”.)

(3) For the purposes of paragraph (2) of this subsection, an eligible Department employee is a full-time Department employee who is permanently assigned to a Department health-care facility on the date on which the individual submits the application referred to in section 7603 of this title and on the date on which the individual becomes a participant in the Scholarship Program.

(b)(1) A scholarship may be awarded under this subchapter only in a qualifying field of education or training.

(2) A qualifying field of education or training for purposes of this subchapter is education or training leading to employment (under section 7401 of this title) as any of the following:

(A) A physician, dentist, podiatrist, optometrist, nurse, physician assistant, or expanded function dental auxiliary.

(B) A psychologist described in section 7401(3) of this title or a certified or registered respiratory therapist, licensed physical therapist, or licensed practical or vocational nurse.

(3) The Secretary may designate additional fields of education or training as qualifying fields of education or training if the education or training leads to employment in a position which would qualify the individual for increased basic pay under subsection (a)(1) of section 7455 of this title for personnel described in subsection (a)(2)(B) of such section.

(4) Before awarding the initial scholarship in a course of education or training other than medicine or nursing, the Secretary shall notify the Committees on Veterans’ Affairs of the Senate and House of Representatives of the Secretary’s intent to award a scholarship in such course of education or training. The notice shall include a statement of the reasons why the award of scholarships in that course of education or training is necessary to assist in providing the Department with an adequate supply of personnel in the health profession concerned. Any such notice shall be given not less than 60 days before the first such scholarship is awarded.

(5) In selecting applicants for the Scholarship Program, the Secretary—

(A) shall give priority to applicants who will be entering their final year in a course of training; and

(B) shall ensure an equitable allocation of scholarships to persons enrolled in the second year of a program leading to an associate degree in nursing.

(c)(1) An agreement between the Secretary and a participant in the Scholarship Program shall (in addition to the requirements set forth in section 7604 of this title) include the following:

(A) The Secretary's agreement to provide the participant with a scholarship under this subchapter for a specified number (from one to four) of school years during which the participant is pursuing a course of education or training described in section 7602 of this title.

(B) The participant's agreement to serve as a full-time employee in the Veterans Health Administration for a period of time (hereinafter in this subchapter referred to as the "period of obligated service") of one calendar year for each school year or part thereof for which the participant was provided a scholarship under the Scholarship Program, but for not less than two years.

(2) In a case in which an extension is granted under section 7614(3) of this title, the number of years for which a scholarship may be provided under this subchapter shall be the number of school years provided for as a result of the extension.

(3) In the case of a participant who is a part-time student—

(A) the period of obligated service shall be reduced in accordance with the proportion that the number of credit hours carried by such participant in any such school year bears to the number of credit hours required to be carried by a full-time student in the course of training being pursued by the participant, but in no event to less than one year; and

(B) the agreement shall include the participant's agreement to maintain employment, while enrolled in such course of education or training, as a Department employee permanently assigned to a Department health-care facility.

(4) If a participant's period of obligated service is deferred under section 7616(b)(3)(A)(i) of this title, the agreement terms under paragraph (1) of this subsection shall provide for the participant to serve any additional period of obligated service that is prescribed by the Secretary under section 7616(b)(4)(B) of this title.

(Added Pub. L. 100-322, title II, §216(b), May 20, 1988, 102 Stat. 520, §4312; amended Pub. L. 101-237, title II, §207(a), Dec. 18, 1989, 103 Stat. 2068; renumbered §7612 and amended Pub. L. 102-40, title IV, §§402(b)(1), (d)(1), 403(b)(4), May 7, 1991, 105 Stat. 238, 239; Pub. L. 102-83, §4(a)(3), (4), (b)(1), (2)(E), Aug. 6, 1991, 105 Stat. 404, 405; Pub. L. 102-405, title II, §202(a), Oct. 9, 1992, 106 Stat. 1983; Pub. L. 103-446, title XII, §1201(b)(1), Nov. 2, 1994, 108 Stat. 4682.)

#### AMENDMENTS

1994—Subsec. (c)(1)(B). Pub. L. 103-446 substituted "Veterans Health Administration" for "Department of Medicine and Surgery".

1992—Subsec. (c)(1)(B). Pub. L. 102-405 inserted before period at end " , but for not less than two years".

1991—Pub. L. 102-40, §402(b)(1), renumbered section 4312 of this title as this section.

Subsec. (a)(1). Pub. L. 102-40, §402(d)(1), substituted "7602" for "4302".

Subsec. (a)(2). Pub. L. 102-83, §4(a)(3), (4), substituted "Department" for "Veterans' Administration".

Pub. L. 102-40, §402(d)(1), substituted "7602" for "4302".

Subsec. (a)(3). Pub. L. 102-83, §4(a)(3), (4), substituted "Department" for "Veterans' Administration" wherever appearing.

Pub. L. 102-40, §402(d)(1), substituted "7603" for "4303".

Subsec. (b)(2). Pub. L. 102-40, §403(b)(4)(A), substituted "7401" for "4104" in introductory provisions and "7401(3)" for "4104(3)" in subpar. (B).

Subsec. (b)(3). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator".

Pub. L. 102-40, §403(b)(4)(B), substituted "subsection (a)(1) of section 7455 of this title for personnel described in subsection (a)(2)(B) of such section" for "section 4107(g)(1)(B) of this title".

Subsec. (b)(4). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator" and "Secretary's" for "Administrator's".

Pub. L. 102-83, §4(a)(3), (4), substituted "Department" for "Veterans' Administration".

Subsec. (c)(1). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator" in introductory provisions and "Secretary's" for "Administrator's" in subpar. (A).

Pub. L. 102-40, §402(d)(1), substituted "7604" for "4304" in introductory provisions and "7602" for "4302" in subpar. (A).

Subsec. (c)(2). Pub. L. 102-40, §402(d)(1), substituted "7614(3)" for "4314(3)".

Subsec. (c)(3)(B). Pub. L. 102-83, §4(a)(3), (4), substituted "Department" for "Veterans' Administration" in two places.

Subsec. (c)(4). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator".

Pub. L. 102-40, §402(d)(1), substituted "7616(b)(3)(A)(i)" for "4316(b)(3)(A)(i)" and "7616(b)(4)(B)" for "4316(b)(4)(B)".

1989—Subsec. (b)(5). Pub. L. 101-237 amended par. (5) generally. Prior to amendment, par. (5) read as follows: "In selecting applicants for the Scholarship Program, the Administrator shall give priority to the applications of individuals who will be entering their final year in a course of training."

#### EFFECTIVE DATE OF 1992 AMENDMENT

Section 202(b) of Pub. L. 102-405 provided that: "The amendment made by subsection (a) [amending this section] shall apply to scholarship agreements entered into after the date of the enactment of this Act [Oct. 9, 1992]."

#### IMPLEMENTATION OF EQUITABLE ALLOCATION PROVISIONS

Section 207(b) of Pub. L. 101-237 provided that: "The Secretary of Veterans Affairs shall provide for the implementation of the amendment made by subsection (a) [amending this section] beginning with scholarships awarded under section 4312 [now 7612] of title 38, United States Code, during 1990."

#### § 7613. Scholarship

(a) A scholarship provided to a participant in the Scholarship Program for a school year under the Scholarship Program shall consist of payment of the tuition of the participant for that

school year, payment of other reasonable educational expenses (including fees, books, and laboratory expenses) for that school year, and a stipend determined under subsection (b) of this section.

(b) A stipend under this section for a school year shall be payment to the participant of not in excess of \$485 per month (adjusted in accordance with section 7631 of this title) for each of the 12 consecutive months beginning with the first month of the school year, except that a stipend may not be paid to a participant who is a full-time employee of the Department. The stipend of a participant who is a part-time student shall be adjusted as provided in sections 7614(1) and 7614(2) of this title.

(c) The Secretary may arrange with an educational institution in which a participant in the Scholarship Program is enrolled for the payment to the educational institution of the amounts of tuition and other reasonable educational expenses described in subsection (a) of this section. Such payments may be made without regard to subsections (a) and (b) of section 3324 of title 31.

(Added Pub. L. 100-322, title II, §216(b), May 20, 1988, 102 Stat. 521, §4313; renumbered §7613 and amended Pub. L. 102-40, title IV, §402(b)(1), (d)(1), May 7, 1991, 105 Stat. 238, 239; Pub. L. 102-83, §4(a)(3), (4), (b)(1), (2)(E), Aug. 6, 1991, 105 Stat. 404, 405.)

#### AMENDMENTS

1991—Pub. L. 102-40, §402(b)(1), renumbered section 4313 of this title as this section.

Subsec. (b). Pub. L. 102-83, §4(a)(3), (4), substituted “Department” for “Veterans’ Administration”.

Pub. L. 102-40, §402(d)(1), substituted “7631” for “4331” and “7614(1) and 7614(2)” for “4314(1) and 4314(2)”.

Subsec. (c). Pub. L. 102-83, §4(b)(1), (2)(E), substituted “Secretary” for “Administrator”.

#### SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 7617, 7631 of this title.

### § 7614. Part-time students

In the case of a participant who is a part-time student—

(1) the maximum amount of the stipend payable to the participant shall be reduced in accordance with the proportion that the number of credit hours carried by such participant bears to the number of credit hours required to be carried by a full-time student in the course of education or training being pursued by the participant;

(2) a stipend may not be paid for any month during which the participant is not actually attending the course of training in which the participant is enrolled; and

(3) the Secretary may extend the period for which a scholarship may be awarded to the participant to a maximum of six school years if the Secretary determines that the extension would be in the best interest of the United States.

(Added Pub. L. 100-322, title II, §216(b), May 20, 1988, 102 Stat. 522, §4314; renumbered §7614, Pub. L. 102-40, title IV, §402(b)(1), May 7, 1991, 105 Stat. 238; amended Pub. L. 102-83, §4(b)(1), (2)(E), Aug. 6, 1991, 105 Stat. 404, 405.)

#### AMENDMENTS

1991—Pub. L. 102-40 renumbered section 4314 of this title as this section.

Par. (3). Pub. L. 102-83 substituted “Secretary” for “Administrator” in two places.

#### SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 7612, 7613 of this title.

### § 7615. Status of participants

Participants in the Scholarship Program shall not by reason of their participation in such program (1) be considered to be employees of the Federal Government, or (2) be counted against any personnel ceiling affecting the Veterans Health Administration.

(Added Pub. L. 100-322, title II, §216(b), May 20, 1988, 102 Stat. 522, §4315; renumbered §7615, Pub. L. 102-40, title IV, §402(b)(1), May 7, 1991, 105 Stat. 238; amended Pub. L. 103-446, title XII, §1201(b)(1), Nov. 2, 1994, 108 Stat. 4682.)

#### AMENDMENTS

1994—Pub. L. 103-446 substituted “Veterans Health Administration” for “Department of Medicine and Surgery”.

1991—Pub. L. 102-40 renumbered section 4315 of this title as this section.

### § 7616. Obligated service

(a) Each participant in the Scholarship Program shall provide service as a full-time employee of the Department for the period of obligated service provided in the agreement of the participant entered into under section 7603 of this title. Such service shall be provided in the full-time clinical practice of such participant's profession or in another health-care position in an assignment or location determined by the Secretary.

(b)(1) Not later than 60 days before the participant's service commencement date, the Secretary shall notify the participant of that service commencement date. That date is the date for the beginning of the participant's period of obligated service.

(2) As soon as possible after the participant's service commencement date, the Secretary shall—

(A) in the case of a participant who is not a full-time employee in the Veterans Health Administration, appoint such participant as such an employee; and

(B) in the case of a participant who is an employee in the Veterans Health Administration but is not serving in a position for which such participant's course of education or training prepared such participant, assign such participant to such a position.

(3)(A)(i) In the case of a participant receiving a degree from a school of medicine, osteopathy, dentistry, optometry, or podiatry, the participant's service commencement date is the date upon which the participant becomes licensed to practice medicine, osteopathy, dentistry, optometry, or podiatry, as the case may be, in a State. However, the Secretary may, at the request of such participant, defer such date until the end of the period of time required for the

participant to complete an internship or residency or other advanced clinical training. If the participant requests such a deferral, the Secretary shall notify the participant that such deferral could lead to an additional period of obligated service in accordance with paragraph (4) of this subsection.

(ii) No such period of internship or residency or other advanced clinical training shall be counted toward satisfying a period of obligated service under this subchapter.

(B) In the case of a participant receiving a degree from a school of nursing, the participant's service commencement date is the later of (i) the participant's course completion date, or (ii) the date upon which the participant becomes licensed as a registered nurse in a State.

(C) In the case of a participant not covered by subparagraph (A) or (B) of this paragraph, the participant's service commencement date is the later of (i) the participant's course completion date, or (ii) the date the participant meets any applicable licensure or certification requirements.

(4) A participant whose period of obligated service is deferred under paragraph (3)(A) of this subsection shall be required to undertake internship or residency or other advanced clinical training in an accredited program in an educational institution which is an affiliated institution (as defined in section 7423(d)(1) of this title) and with respect to which the affiliation agreement provides that all or part of the internship or residency or other advanced clinical training will be undertaken in a Department health-care facility. Such a participant may, at the discretion of the Secretary and upon the recommendation of the Under Secretary for Health, incur an additional period of obligated service—

(A) at the rate of one-half of a calendar year for each year of internship or residency or other advanced clinical training (or a proportionate ratio thereof), if the internship, residency, or advanced clinical training is in a medical specialty necessary to meet the health-care requirements of the Department (as determined under regulations prescribed by the Secretary); or

(B) at the rate of three-quarters of a calendar year for each year of internship or residency or other advanced clinical training (or a proportionate ratio thereof), if the internship, residency, or advanced clinical training is not in a medical specialty necessary to meet the health-care requirements of the Department (as determined under regulations prescribed by the Secretary).

(5) The Secretary shall by regulation prescribe the service commencement date for participants who were part-time students. Such regulations shall prescribe terms as similar as practicable to the terms set forth in paragraph (3) of this subsection.

(c)(1) Except as provided in paragraph (2) of this subsection, a participant in the Scholarship Program shall be considered to have begun serving such participant's period of obligated service—

(A) on the date, after such participant's course completion date, on which such participant (in accordance with subsection (b) of this

section) is appointed under this chapter as a full-time employee in the Veterans Health Administration; or

(B) if the participant is a full-time employee in the Veterans Health Administration on such course completion date, on the date thereafter on which such participant is assigned to a position for which such participant's course of training prepared such participant.

(2) A participant in the Scholarship Program who on such participant's course completion date is a full-time employee in the Veterans Health Administration serving in a capacity for which such participant's course of training prepared such participant shall be considered to have begun serving such participant's period of obligated service on such course completion date.

(3) For the purposes of this section, the term "course completion date" means the date on which a participant in the Scholarship Program completes such participant's course of education or training under the program.

(Added Pub. L. 100-322, title II, §216(b), May 20, 1988, 102 Stat. 522, §4316; renumbered §7616 and amended Pub. L. 102-40, title IV, §§402(b)(1), (d)(1), 403(b)(5), May 7, 1991, 105 Stat. 238-240; Pub. L. 102-83, §4(a)(3), (4), (b)(1), (2)(E), Aug. 6, 1991, 105 Stat. 404, 405; Pub. L. 102-405, title III, §302(c)(1), Oct. 9, 1992, 106 Stat. 1984; Pub. L. 103-446, title XII, §1201(b)(1), Nov. 2, 1994, 108 Stat. 4682.)

#### AMENDMENTS

1994—Subsecs. (b)(2), (c)(1), (2). Pub. L. 103-446 substituted "Veterans Health Administration" for "Department of Medicine and Surgery" wherever appearing.

1992—Subsec. (b)(4). Pub. L. 102-405 substituted "Under Secretary for Health" for "Chief Medical Director".

1991—Pub. L. 102-40, §402(b)(1), renumbered section 4316 of this title as this section.

Subsec. (a). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator".

Pub. L. 102-83, §4(a)(3), (4), substituted "Department" for "Veterans' Administration".

Pub. L. 102-40, §402(d)(1), substituted "7603" for "4303".

Subsec. (b)(1) to (3). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator" wherever appearing.

Subsec. (b)(4). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator" wherever appearing.

Pub. L. 102-83, §4(a)(3), (4), substituted "Department" for "Veterans' Administration" wherever appearing.

Pub. L. 102-40, §403(b)(5), substituted "7423(d)(1)" for "4108(c)(1)" in introductory provisions.

Subsec. (b)(5). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator".

#### SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 7612, 7617 of this title.

#### § 7617. Breach of agreement: liability

(a) A participant in the Scholarship Program (other than a participant described in subsection (b) of this section) who fails to accept payment, or instructs the educational institution in which the participant is enrolled not to accept pay-

ment, in whole or in part, of a scholarship under the agreement entered into under section 7603 of this title shall be liable to the United States for liquidated damages in the amount of \$1,500. Such liability is in addition to any period of obligated service or other obligation or liability under the agreement.

(b) A participant in the Scholarship Program shall be liable to the United States for the amount which has been paid to or on behalf of the participant under the agreement if any of the following occurs:

(1) The participant fails to maintain an acceptable level of academic standing in the educational institution in which the participant is enrolled (as determined by the educational institution under regulations prescribed by the Secretary).

(2) The participant is dismissed from such educational institution for disciplinary reasons.

(3) The participant voluntarily terminates the course of training in such educational institution before the completion of such course of training.

(4) The participant fails to become licensed to practice medicine, osteopathy, dentistry, podiatry, or optometry in a State, fails to become licensed as a registered nurse in a State, or fails to meet any applicable licensure requirement in the case of any other health-care personnel who provide either direct patient-care services or services incident to direct patient-care services, during a period of time determined under regulations prescribed by the Secretary.

(5) In the case of a participant who is a part-time student, the participant fails to maintain employment, while enrolled in the course of training being pursued by such participant, as a Department employee permanently assigned to a Department health-care facility.

Liability under this subsection is in lieu of any service obligation arising under the participant's agreement.

(c)(1) If a participant in the Scholarship Program breaches the agreement by failing (for any reason) to complete such participant's period of obligated service, the United States shall be entitled to recover from the participant an amount determined in accordance with the following formula:

$$A=3\Phi \left( \frac{t-s}{t} \right)$$

In such formula:

(A) "A" is the amount the United States is entitled to recover.

(B) "Φ" is the sum of (i) the amounts paid under this subchapter to or on behalf of the participant, and (ii) the interest on such amounts which would be payable if at the time the amounts were paid they were loans bearing interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States.

(C) "t" is the total number of months in the participant's period of obligated service, including any additional period of obligated service in accordance with section 7616(b)(4) of this title.

(D) "s" is the number of months of such period served by the participant in accordance with section 7613 of this title.

(2) Any amount of damages which the United States is entitled to recover under this section shall be paid to the United States within the one-year period beginning on the date of the breach of the agreement.

(Added Pub. L. 100-322, title II, §216(b), May 20, 1988, 102 Stat. 524, §4317; renumbered §7617 and amended Pub. L. 102-40, title IV, §402(b)(1), (d)(1), May 7, 1991, 105 Stat. 238, 239; Pub. L. 102-83, §4(a)(3), (4), (b)(1), (2)(E), Aug. 6, 1991, 105 Stat. 404, 405.)

#### AMENDMENTS

1991—Pub. L. 102-40, §402(b)(1), renumbered section 4317 of this title as this section.

Subsec. (a). Pub. L. 102-40, §402(d)(1), substituted "7603" for "4303".

Subsec. (b)(1), (4). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator".

Subsec. (b)(5). Pub. L. 102-83, §4(a)(3), (4), substituted "Department" for "Veterans' Administration" in two places.

Subsec. (c)(1). Pub. L. 102-40, §402(d)(1), substituted "7616(b)(4)" for "4316(b)(4)" in subpar. (C) and "7613" for "4313" in subpar. (D).

#### SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 7655 of this title.

### § 7618. Expiration of program

The Secretary may not furnish scholarships to new participants in the Scholarship Program after December 31, 1998.

(Added Pub. L. 100-322, title II, §216(b), May 20, 1988, 102 Stat. 525, §4318; renumbered §7618, Pub. L. 102-40, title IV, §402(b)(1), May 7, 1991, 105 Stat. 238; amended Pub. L. 102-83, §4(b)(1), (2)(E), Aug. 6, 1991, 105 Stat. 404, 405; Pub. L. 102-585, title V, §523(a), Nov. 4, 1992, 106 Stat. 4959; Pub. L. 104-110, title I, §101(j), Feb. 13, 1996, 110 Stat. 769; Pub. L. 105-114, title II, §207(a), Nov. 21, 1997, 111 Stat. 2289.)

#### AMENDMENTS

1997—Pub. L. 105-114 substituted "December 31, 1998" for "December 31, 1997".

1996—Pub. L. 104-110 substituted "December 31, 1997" for "December 31, 1995".

1992—Pub. L. 102-585 substituted "December 31, 1995" for "September 30, 1992".

1991—Pub. L. 102-40 renumbered section 4318 of this title as this section.

Pub. L. 102-83 substituted "Secretary" for "Administrator".

#### RATIFICATION OF ACTIONS DURING PERIOD OF EXPIRED AUTHORITY

Any action taken by Secretary of Veterans Affairs before Feb. 13, 1996, under provision of law amended by title I of Pub. L. 104-110 that was taken during period beginning on date on which authority of Secretary under such provision of law expired and ending on Feb. 13, 1996, considered to have same force and effect as if such amendment had been in effect at time of that action, see section 103 of Pub. L. 104-110, set out as a note under section 1710 of this title.

### SUBCHAPTER III—TUITION REIMBURSEMENT PROGRAM

#### SUBCHAPTER REFERRED TO IN OTHER SECTIONS

This subchapter is referred to in sections 7601, 7602, 7603, 7604 of this title.



**§ 7621. Authority for program**

As part of the Educational Assistance Program, the Secretary shall carry out a tuition reimbursement program under this subchapter. The program shall be known as the Department of Veterans Affairs Nurse Education Tuition Reimbursement Program (hereinafter in this chapter referred to as the "Tuition Reimbursement Program").

(Added Pub. L. 100-322, title II, §216(b), May 20, 1988, 102 Stat. 525, §4321; renumbered §7621, Pub. L. 102-40, title IV, §402(b)(1), May 7, 1991, 105 Stat. 238; amended Pub. L. 102-83, §4(a)(2)(B)(vi), (b)(1), (2)(E), Aug. 6, 1991, 105 Stat. 403-405.)

**AMENDMENTS**

1991—Pub. L. 102-40 renumbered section 4321 of this title as this section.

Pub. L. 102-83 substituted "Secretary" for "Administrator" and "Department of Veterans Affairs" for "Veterans' Administration".

**§ 7622. Eligibility; application; agreement**

(a) To be eligible to participate in the Tuition Reimbursement Program, an individual must be a full-time employee in the Department permanently assigned to a Department health-care facility and must be enrolled in a course of training offered by an institution approved by the Secretary leading toward completion of (1) an associate or higher degree in nursing, or (2) a masters degree or doctoral degree in nursing.

(b) In selecting applicants for acceptance in the Tuition Reimbursement Program, the Secretary (in addition to according priorities as set forth in section 7603(d) of this title) shall give special consideration and emphasis to individuals pursuing a course of study which will expedite an increase in the number of registered nurses employed by the Department. The Secretary shall then give priority, in the following order, to—

(1) individuals who have been employed as full-time employees in the Nursing Service in the Veterans Health Administration; and

(2) individuals who have previously received tuition reimbursement under the Tuition Reimbursement Program.

(c) An agreement between the Secretary and a participant in the Tuition Reimbursement Program shall (in addition to the requirements set forth in section 7604 of this title) contain the following:

(1) The Secretary's agreement to provide the participant with tuition reimbursement following successful completion (as determined, pursuant to regulations prescribed by the Secretary, by the educational institution involved) of (A) a course or courses required for the course of study described in subsection (a) of this section, or (B) a course or courses taken as necessary prerequisites for degree program enrollment if a letter regarding the potential enrollment of the participant from an appropriate official of the institution involved includes a statement specifying such prerequisites.

(2) The participant's agreement—

(A) to maintain employment, while enrolled in the course of training being pur-

sued by such participant, as a full-time Department employee in the Veterans Health Administration permanently assigned to a Department health-care facility; and

(B) to continue to serve as a full-time employee in the Veterans Health Administration for one year (hereinafter in this subchapter referred to as the "period of obligated service") after completion of the course for which the participant received tuition reimbursement.

(d) Tuition reimbursement provided to a participant in the Tuition Reimbursement Program may not exceed \$2,000 per year (adjusted in accordance with section 7631 of this title).

(e) The Secretary may arrange with an educational institution pursuant to which such an institution would provide a course or courses at a Department health-care facility to participants in the Tuition Reimbursement Program. Under such an arrangement, the Secretary may agree to pay to the institution an amount not in excess of an amount determined by multiplying the number of participants in such a course by the amount of tuition reimbursement each participant would receive for enrolling and successfully completing such course.

(Added Pub. L. 100-322, title II, §216(b), May 20, 1988, 102 Stat. 525, §4322; renumbered §7622 and amended Pub. L. 102-40, title IV, §402(b)(1), (d)(1), May 7, 1991, 105 Stat. 238, 239; Pub. L. 102-54, §14(e)(9), June 13, 1991, 105 Stat. 287; Pub. L. 102-83, §4(a)(3), (4), (b)(1), (2)(E), Aug. 6, 1991, 105 Stat. 404, 405; Pub. L. 103-446, title XII, §1201(b), Nov. 2, 1994, 108 Stat. 4682.)

**AMENDMENTS**

1994—Subsecs. (b)(1), (c)(2)(A). Pub. L. 103-446, §1201(b)(1), substituted "Veterans Health Administration" for "Department of Medicine and Surgery".

Subsec. (c)(2)(B). Pub. L. 103-446, §1201(b)(2), substituted "the Veterans Health Administration" for "such Department".

1991—Pub. L. 102-40, §402(b)(1), renumbered section 4322 of this title as this section.

Subsec. (a). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator".

Pub. L. 102-83, §4(a)(3), (4), substituted "Department" for "Veterans' Administration" in two places.

Subsec. (b). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator" in two places in introductory provisions.

Pub. L. 102-83, §4(a)(3), (4), substituted "Department" for "Veterans' Administration" in introductory provisions.

Pub. L. 102-40, §402(d)(1), substituted "7603(d)" for "4303(d)".

Subsec. (c). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator" in introductory provisions and in par. (1) and "Secretary's" for "Administrator's" in par. (1).

Pub. L. 102-40, §402(d)(1), substituted "7604" for "4304" in introductory provisions.

Pub. L. 102-83, §4(a)(3), (4), substituted "Department" for "Veterans' Administration" in two places in par. (2)(A).

Subsec. (d). Pub. L. 102-54 amended subsec. (d) as in effect immediately before the enactment of Pub. L. 102-40 by inserting an open parenthesis before "adjusted in".

Pub. L. 102-40, §402(d)(1), substituted "7631" for "4331".

Subsec. (e). Pub. L. 102-83, §4(b)(1), (2)(E), substituted "Secretary" for "Administrator" in two places.

Pub. L. 102-83, §4(a)(3), (4), substituted "Department" for "Veterans' Administration".

#### SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 7623, 7631 of this title.

### § 7623. Obligated service

(a) Each participant in the Tuition Reimbursement Program shall provide service in the full-time clinical practice of such participant's profession as a full-time employee of the Department for the period of obligated service provided in the agreement of such participant entered into under section 7603 of this title.

(b) A participant who on such participant's course completion date is a full-time employee in the Veterans Health Administration shall be considered to have begun serving such participant's period of obligated service on the course completion date.

(c) Except in the case of a participant whose tuition was paid pursuant to section 7622(e) of this title, if a participant in the Tuition Reimbursement Program fails to successfully complete a course, no reimbursement will be provided and no period of obligated service will be incurred.

(d) In the case of a participant whose tuition was paid pursuant to section 7622(e) of this title and who fails to complete the course involved, the period of obligation shall be of the same duration as it would have been if the participant had successfully completed the course and the course completion date shall be considered to be the date on which the participant's failure becomes an established fact.

(e) For the purposes of this section, the term "course completion date" means the date on which a participant in the Tuition Reimbursement Program completes such participant's course of training under the program.

(Added Pub. L. 100-322, title II, §216(b), May 20, 1988, 102 Stat. 526, §4323; amended Pub. L. 100-687, div. B, title XV, §1503(a)(3), Nov. 18, 1988, 102 Stat. 4134; renumbered §7623 and amended Pub. L. 102-40, title IV, §402(b)(1), (d)(1), May 7, 1991, 105 Stat. 238, 239; Pub. L. 102-83, §4(a)(3), (4), Aug. 6, 1991, 105 Stat. 404; Pub. L. 103-446, title XII, §1201(b)(1), Nov. 2, 1994, 108 Stat. 4682.)

#### AMENDMENTS

1994—Subsec. (b). Pub. L. 103-446 substituted "Veterans Health Administration" for "Department of Medicine and Surgery".

1991—Pub. L. 102-40, §402(b)(1), renumbered section 4323 of this title as this section.

Subsec. (a). Pub. L. 102-83 substituted "Department" for "Veterans' Administration".

Pub. L. 102-40, §402(d)(1), substituted "7603" for "4303".

Subsecs. (c), (d). Pub. L. 102-40, §402(d)(1), substituted "7622(e)" for "4322(e)".

1988—Subsecs. (c), (d). Pub. L. 100-687 substituted "4322(e)" for "4322(f)".

### § 7624. Breach of agreement: liability

(a) A participant in the Tuition Reimbursement Program who fails to maintain employment as a Department employee permanently assigned to a Department health-care facility—

(1) may not be provided reimbursement for tuition for the course or courses in which the participant is enrolled; and

(2) in lieu of any service obligation arising from participation in the program, shall be liable to the United States for the amount which has been paid or is payable to or on behalf of the participant under the agreement, reduced by the proportion that the number of days served for completion of the service obligation bears to the total number of days in the participant's period of obligated service.

(b) Any amount of damages which the United States is entitled to recover under this section shall be paid to the United States within the one-year period beginning on the date of the breach of the agreement.

(Added Pub. L. 100-322, title II, §216(b), May 20, 1988, 102 Stat. 527, §4324; amended Pub. L. 100-687, div. B, title XV, §1503(a)(4), Nov. 18, 1988, 102 Stat. 4134; renumbered §7624, Pub. L. 102-40, title IV, §402(b)(1), May 7, 1991, 105 Stat. 238; Pub. L. 102-83, §4(a)(3), (4), Aug. 6, 1991, 105 Stat. 404.)

#### AMENDMENTS

1991—Pub. L. 102-40 renumbered section 4324 of this title as this section.

Subsec. (a). Pub. L. 102-83 substituted "Department" for "Veterans' Administration" in two places in introductory provisions.

1988—Subsec. (a)(2). Pub. L. 100-687, §1503(a)(4)(A), substituted "participation in the program" for "completion of a course or courses in a previous semester or quarter", inserted "or is payable" after "has been paid", and inserted before period at end "reduced by the proportion that the number of days served for completion of the service obligation bears to the total number of days in the participant's period of obligated service".

Subsec. (b). Pub. L. 100-687, §1503(a)(4)(B), struck out par. (1) which related to formula to apply to recover amount from participant who breaches agreement by failing to complete period of obligated service, and struck out par. (2) designation before "Any amount".

### § 7625. Allocation and distribution of funding

In determining the amount of funding to allocate to Department health-care facilities for any fiscal year in connection with the Tuition Reimbursement Program, the Secretary shall take into account (1) the personnel ceiling for that fiscal year for nursing personnel, and (2) the recruitment and retention needs of such facilities, as determined by the Secretary.

(Added Pub. L. 100-322, title II, §216(b), May 20, 1988, 102 Stat. 527, §4325; renumbered §7625, Pub. L. 102-40, title IV, §402(b)(1), May 7, 1991, 105 Stat. 238; amended Pub. L. 102-83, §4(a)(3), (4), (b)(1), (2)(E), Aug. 6, 1991, 105 Stat. 404, 405.)

#### AMENDMENTS

1991—Pub. L. 102-40 renumbered section 4325 of this title as this section.

Pub. L. 102-83 substituted "Secretary" for "Administrator" in two places and substituted "Department" for "Veterans' Administration".

#### SUBCHAPTER IV—ADMINISTRATIVE MATTERS

### § 7631. Periodic adjustments in amount of assistance

(a)(1) Whenever there is a general Federal pay increase, the Secretary shall increase the max-

imum monthly stipend amount, the maximum tuition reimbursement amount, the maximum Selected Reserve member stipend amount, the maximum employee incentive scholarship amount, and the maximum education debt reduction payments amount. Any such increase shall take effect with respect to any school year that ends in the fiscal year in which the pay increase takes effect.

(2) The amount of any increase under paragraph (1) of this subsection is the previous maximum amount under that paragraph multiplied by the overall percentage of the adjustment in the rates of pay under the General Schedule made under the general Federal pay increase. Such amount shall be rounded to the next lower multiple of \$1.

(b) For purposes of this section:

(1) The term “maximum monthly stipend amount” means the maximum monthly stipend that may be paid to a participant in the Scholarship Program specified in section 7613(b) of this title and as previously adjusted (if at all) in accordance with this section.

(2) The term “maximum tuition reimbursement amount” means the maximum amount of tuition reimbursement provided to a participant in the Tuition Reimbursement Program specified in section 7622(e) of this title and as previously adjusted (if at all) in accordance with this section.

(3) The term “maximum Selected Reserve member stipend amount” means the maximum amount of assistance provided to a person receiving assistance under subchapter V of this chapter, as specified in section 7653 of this title and as previously adjusted (if at all) in accordance with this section.

(4) The term “maximum employee incentive scholarship amount” means the maximum amount of the scholarship payable to a participant in the Department of Veterans Affairs Employee Incentive Scholarship Program under subchapter VI of this chapter, as specified in section 7673(b)(1) of this title and as previously adjusted (if at all) in accordance with this section.

(5) The term “maximum education debt reduction payments amount” means the maximum amount of education debt reduction payments payable to a participant in the Department of Veterans Affairs Education Debt Reduction Program under subchapter VII of this chapter, as specified in section 7683(d)(1) of this title and as previously adjusted (if at all) in accordance with this section.

(6) The term “general Federal pay increase” means an adjustment (if an increase) in the rates of pay under the General Schedule under subchapter III of chapter 53 of title 5.

(Added Pub. L. 100-322, title II, §216(b), May 20, 1988, 102 Stat. 528, §4331; amended Pub. L. 101-366, title II, §205(b), Aug. 15, 1990, 104 Stat. 441; renumbered §7631 and amended Pub. L. 102-40, title IV, §402(b)(1), (d)(1), May 7, 1991, 105 Stat. 238, 239; Pub. L. 102-54, §14(e)(10), June 13, 1991, 105 Stat. 287; Pub. L. 102-83, §4(b)(1), (2)(E), Aug. 6, 1991, 105 Stat. 404, 405; Pub. L. 107-135, title I, §§101(f), (g), 102(d)(1), Jan. 23, 2002, 115 Stat. 2448, 2449.)

#### AMENDMENTS

2002—Subsec. (a)(1). Pub. L. 107-135, §§101(f)(1), 102(d)(1)(A), substituted “the maximum Selected Reserve member stipend amount, the maximum employee incentive scholarship amount, and the maximum education debt reduction payments amount” for “and the maximum Selected Reserve member stipend amount”.

Subsec. (b)(1) to (3). Pub. L. 107-135, §101(g), substituted “this section” for “this subsection” in pars. (1) to (3).

Subsec. (b)(4). Pub. L. 107-135, §101(f)(2)(B), added par. (4). Former par. (4) redesignated (6).

Subsec. (b)(5). Pub. L. 107-135, §102(d)(1)(B), added par. (5).

Subsec. (b)(6). Pub. L. 107-135, §101(f)(2)(A), redesignated par. (4) as (6).

1991—Pub. L. 102-40, §402(b)(1), renumbered section 4331 of this title as this section.

Subsec. (a)(1). Pub. L. 102-83 substituted “Secretary” for “Administrator”.

Subsec. (b)(1). Pub. L. 102-40, §402(d)(1), substituted “7613(b)” for “4313(b)”.

Subsec. (b)(2). Pub. L. 102-40, §402(d)(1), substituted “7622(e)” for “4322(e)”.

Subsec. (b)(3). Pub. L. 102-40, §402(d)(1), substituted “7653” for “4353”.

Subsec. (b)(4). Pub. L. 102-54 amended subsec. (b)(4) as in effect immediately before the enactment of Pub. L. 102-40 by substituting “chapter 53” for “chapter 51”.

1990—Subsec. (a)(1). Pub. L. 101-366, §205(b)(1), substituted “stipend amount,” for “stipend amount and” and “reimbursement amount, and the maximum Selected Reserve member stipend amount” for “reimbursement amount”.

Subsec. (b)(3), (4). Pub. L. 101-366, §205(b)(2), added par. (3) and redesignated former par. (3) as (4).

#### ADJUSTMENT OF MAXIMUM EDUCATION DEBT REDUCTION PAYMENTS AMOUNT

Pub. L. 107-135, title I, §102(d)(2), Jan. 23, 2002, 115 Stat. 2449, provided that: “Notwithstanding section 7631(a)(1) of title 38, United States Code, as amended by paragraph (1), the Secretary of Veterans Affairs shall not increase the maximum education debt reduction payments amount under that section in calendar year 2002.”

#### TRANSITION

Section 216(d) of Pub. L. 100-322 provided that: “Section 4331 [now 7631] of title 38, United States Code, as added by subsection (b), shall not apply with respect to a school year ending during fiscal year 1988.”

#### SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 7613, 7622, 7653 of this title.

#### § 7632. Annual report

Not later than March 1 of each year, the Secretary shall submit to Congress a report on the Educational Assistance Program. Each such report shall include the following information:

(1) The number of students receiving educational assistance under the Educational Assistance Program, showing the numbers of students receiving assistance under the Scholarship Program, the Tuition Reimbursement Program, the Employee Incentive Scholarship Program, and the Education Debt Reduction Program separately, and the number of students (if any) enrolled in each type of health profession training under each program.

(2) The education institutions (if any) providing such training to students in each program.

(3) The number of applications filed under each program, by health profession category,

during the school year beginning in such year and the total number of such applications so filed for all years in which the Educational Assistance Program (or predecessor program) has been in existence.

(4) The average amounts of educational assistance provided per participant in the Scholarship Program, per participant in the Tuition Reimbursement Program, per participant in the Employee Incentive Scholarship Program, and per participant in the Education Debt Reduction Program.

(5) The amount of tuition and other expenses paid, by health profession category, in the aggregate and at each educational institution for the school year beginning in such year and for prior school years.

(6) The number of scholarships accepted, by health profession category, during the school year beginning in such year and the number, by health profession category, which were offered and not accepted.

(7) The number of participants who complete a course or course of training in each program each year and for all years that such program (or predecessor program) has been in existence.

(Added Pub. L. 100-322, title II, §216(b), May 20, 1988, 102 Stat. 528, §4332; renumbered §7632, Pub. L. 102-40, title IV, §402(b)(1), May 7, 1991, 105 Stat. 238; amended Pub. L. 102-83, §4(b)(1), (2)(E), Aug. 6, 1991, 105 Stat. 404, 405; Pub. L. 105-368, title VIII, §805(5), Nov. 11, 1998, 112 Stat. 3359.)

#### AMENDMENTS

1998—Par. (1). Pub. L. 105-368, §805(5)(A), substituted “, the Tuition Reimbursement Program, the Employee Incentive Scholarship Program, and the Education Debt Reduction Program” for “and the Tuition Reimbursement Program” and inserted “(if any)” after “number of students”.

Par. (2). Pub. L. 105-368, §805(5)(B), inserted “(if any)” after “education institutions”.

Par. (4). Pub. L. 105-368, §805(5)(C), substituted “, per participant” for “and per participant” and inserted “, per participant in the Employee Incentive Scholarship Program, and per participant in the Education Debt Reduction Program” before period at end.

1991—Pub. L. 102-40 renumbered section 4332 of this title as this section.

Pub. L. 102-83 substituted “Secretary” for “Administrator” in introductory provisions.

#### TERMINATION OF REPORTING REQUIREMENTS

For termination, effective May 15, 2000, of reporting provisions in this section, see section 3003 of Pub. L. 104-66, as amended, set out as a note under section 1113 of Title 31, Money and Finance, and page 145 of House Document No. 103-7.

### § 7633. Regulations

The Secretary shall prescribe regulations to carry out the Educational Assistance Program.

(Added Pub. L. 100-322, title II, §216(b), May 20, 1988, 102 Stat. 529, §4333; renumbered §7633, Pub. L. 102-40, title IV, §402(b)(1), May 7, 1991, 105 Stat. 238; amended Pub. L. 102-83, §4(b)(1), (2)(E), Aug. 6, 1991, 105 Stat. 404, 405.)

#### AMENDMENTS

1991—Pub. L. 102-40 renumbered section 4333 of this title as this section.

Pub. L. 102-83 substituted “Secretary” for “Administrator”.

### § 7634. Breach of agreement; waiver of liability

(a) An obligation under the Educational Assistance Program (or an agreement under the program) of a participant in the Educational Assistance Program for performance of services or payment of damages is canceled upon the death of the participant.

(b) The Secretary shall prescribe regulations providing for the waiver or suspension of any obligation of a participant for service or payment under the Educational Assistance Program (or an agreement under the program) whenever non-compliance by the participant is due to circumstances beyond the control of the participant or whenever the Secretary determines that the waiver or suspension of compliance is in the best interest of the United States.

(c) An obligation of a participant under the Educational Assistance Program (or an agreement thereunder) for payment of damages may not be released by a discharge in bankruptcy under title 11 before the expiration of the five-year period beginning on the first date the payment of such damages is due.

(Added Pub. L. 100-322, title II, §216(b), May 20, 1988, 102 Stat. 529, §4334; renumbered §7634, Pub. L. 102-40, title IV, §402(b)(1), May 7, 1991, 105 Stat. 238; amended Pub. L. 102-83, §4(b)(1), (2)(E), Aug. 6, 1991, 105 Stat. 404, 405.)

#### AMENDMENTS

1991—Pub. L. 102-40 renumbered section 4334 of this title as this section.

Subsec. (b). Pub. L. 102-83 substituted “Secretary” for “Administrator” in two places.

### § 7635. Service in other agencies

(a) The Secretary, with the consent of the participant or individual involved and the consent of the head of the department or agency involved, may permit—

(1) a period of obligated service required under this chapter to be performed in the Veterans Health Administration to be performed in another Federal department or agency or in the Armed Forces in lieu of performance of such service in the Veterans Health Administration; and

(2) a period of obligated service required to be performed in another Federal department or agency or in the Armed Forces under another Federal health personnel educational assistance program to be performed in the Veterans Health Administration.

(b) This section shall be carried out in cooperation with the heads of other appropriate departments and agencies.

(Added Pub. L. 100-322, title II, §216(b), May 20, 1988, 102 Stat. 529, §4335; renumbered §7635, Pub. L. 102-40, title IV, §402(b)(1), May 7, 1991, 105 Stat. 238; amended Pub. L. 102-83, §4(b)(1), (2)(E), Aug. 6, 1991, 105 Stat. 404, 405; Pub. L. 103-446, title XII, §1201(b)(1), Nov. 2, 1994, 108 Stat. 4682.)

#### AMENDMENTS

1994—Subsec. (a). Pub. L. 103-446 substituted “Veterans Health Administration” for “Department of Medicine and Surgery” wherever appearing.

1991—Pub. L. 102-40 renumbered section 4335 of this title as this section.

Subsec. (a). Pub. L. 102-83 substituted “Secretary” for “Administrator” in introductory provisions.

**§ 7636. Exemption of educational assistance payments from taxation**

Notwithstanding any other law, any payment to, or on behalf of a participant in the Educational Assistance Program, for tuition, education expenses, a stipend, or education debt reduction under this chapter shall be exempt from taxation.

(Added Pub. L. 100-322, title II, §216(b), May 20, 1988, 102 Stat. 529, §4336; renumbered §7636, Pub. L. 102-40, title IV, §402(b)(1), May 7, 1991, 105 Stat. 238; amended Pub. L. 105-368, title VIII, §805(6), Nov. 11, 1998, 112 Stat. 3359.)

AMENDMENTS

1998—Pub. L. 105-368 substituted “a stipend, or education debt reduction” for “or a stipend”.

1991—Pub. L. 102-40 renumbered section 4336 of this title as this section.

**SUBCHAPTER V—STIPEND PROGRAM FOR MEMBERS OF THE SELECTED RESERVE**

**SUBCHAPTER REFERRED TO IN OTHER SECTIONS**

This subchapter is referred to in sections 7601, 7603, 7604, 7631 of this title.

**§ 7651. Authority for program**

(a) As part of the Educational Assistance Program, the Secretary of Veterans Affairs may select qualified individuals to receive assistance under this subchapter.

(b) To be eligible to receive assistance under this subchapter, an individual must be accepted for enrollment or be enrolled as a full-time student at a qualifying educational institution in a course of education or training that is approved by the Secretary and that leads toward completion of a degree in a health profession involving direct patient care or care incident to direct patient care.

(Added Pub. L. 101-366, title II, §205(a)(1), Aug. 15, 1990, 104 Stat. 439, §4351; renumbered §7651, Pub. L. 102-40, title IV, §402(b)(1), May 7, 1991, 105 Stat. 238.)

AMENDMENTS

1991—Pub. L. 102-40 renumbered section 4351 of this title as this section.

**§ 7652. Eligibility: individuals entitled to benefits under the GI Bill program for members of the Selected Reserve**

The Secretary of Veterans Affairs may not approve an application under section 7603 of this title of an individual applying to receive assistance under this subchapter unless—

- (1) the individual is entitled to benefits under chapter 106 of title 10; and
- (2) the score of the individual on the Armed Forces Qualification Test was above the 50th percentile.

(Added Pub. L. 101-366, title II, §205(a)(1), Aug. 15, 1990, 104 Stat. 440, §4352; renumbered §7652 and amended Pub. L. 102-40, title IV, §402(b)(1), (d)(1), May 7, 1991, 105 Stat. 238, 239.)

AMENDMENTS

1991—Pub. L. 102-40 renumbered section 4352 of this title as this section and substituted “7603” for “4303” in introductory provisions.

**§ 7653. Amount of assistance**

The Secretary may pay to a person selected to receive assistance under this subchapter the amount of \$400 (adjusted in accordance with section 7631 of this title) for each month of the person's enrollment in a program of education or training covered by the agreement of the person entered into under section 7603 of this title. Payment of such benefits for any period shall be coordinated with any payment of benefits for the same period under chapter 106 of title 10.

(Added Pub. L. 101-366, title II, §205(a)(1), Aug. 15, 1990, 104 Stat. 440, §4353; renumbered §7653 and amended Pub. L. 102-40, title IV, §402(b)(1), (d)(1), May 7, 1991, 105 Stat. 238, 239.)

AMENDMENTS

1991—Pub. L. 102-40 renumbered section 4353 of this title as this section and substituted “7631” for “4331” and “7603” for “4303”.

**SECTION REFERRED TO IN OTHER SECTIONS**

This section is referred to in section 7631 of this title.

**§ 7654. Obligated service**

A person receiving assistance under this subchapter shall provide service in the full-time clinical practice of the person's profession as a full-time employee of the Department for the period of obligated service provided in the agreement of such person entered into under section 7603 of this title.

(Added Pub. L. 101-366, title II, §205(a)(1), Aug. 15, 1990, 104 Stat. 440, §4354; renumbered §7654 and amended Pub. L. 102-40, title IV, §402(b)(1), (d)(1), May 7, 1991, 105 Stat. 238, 239.)

AMENDMENTS

1991—Pub. L. 102-40 renumbered section 4354 of this title as this section and substituted “7603” for “4303”.

**SECTION REFERRED TO IN OTHER SECTIONS**

This section is referred to in section 7655 of this title.

**§ 7655. Breach of agreement; liability**

(a)(1) Subject to paragraph (2), an individual who is receiving or has received a reserve member stipend under this subchapter and who fails to perform the service for which the individual is obligated under section 7654 of this title shall be liable to the United States in an amount determined in accordance with section 7617(c)(1) of this title.

(2) An individual who, as a result of performing active duty (including active duty for training), is unable to perform the service for which the individual is obligated under section 7654 of this title shall be permitted to perform that service upon completion of the active duty service (or active duty for training). The Secretary may, by regulation, waive the requirement for the performance of the service for which the individual is obligated under section 7654 of this title in any case in which the Secretary determines that the individual is unable

to perform the service for reasons beyond the control of the individual or in any case in which the waiver would be in the best interest of the individual and the United States.

(b) Any amount owed the United States under subsection (a) of this section shall be paid to the United States during the one-year period beginning on the date of the breach of the agreement. (Added Pub. L. 101-366, title II, §205(a)(1), Aug. 15, 1990, 104 Stat. 440, §4355; renumbered §7655 and amended Pub. L. 102-40, title IV, §402(b)(1), (d)(1), May 7, 1991, 105 Stat. 238, 239.)

#### AMENDMENTS

1991—Pub. L. 102-40, §402(b)(1), renumbered section 4355 of this title as this section.

Subsec. (a)(1). Pub. L. 102-40, §402(d)(1), substituted “7654” for “4354” and “7617(c)(1)” for “4317(c)(1)”.

Subsec. (a)(2). Pub. L. 102-40, §402(d)(1), substituted “7654” for “4354” in two places.

### SUBCHAPTER VI—EMPLOYEE INCENTIVE SCHOLARSHIP PROGRAM

#### SUBCHAPTER REFERRED TO IN OTHER SECTIONS

This subchapter is referred to in sections 7601, 7602, 7603, 7604, 7631 of this title.

#### § 7671. Authority for program

As part of the Educational Assistance Program, the Secretary may carry out a scholarship program under this subchapter. The program shall be known as the Department of Veterans Affairs Employee Incentive Scholarship Program (hereinafter in this subchapter referred to as the “Program”). The purpose of the Program is to assist, through the establishment of an incentive program for individuals employed in the Veterans Health Administration, in meeting the staffing needs of the Veterans Health Administration for health professional occupations for which recruitment or retention of qualified personnel is difficult.

(Added Pub. L. 105-368, title VIII, §802(a), Nov. 11, 1998, 112 Stat. 3352; amended Pub. L. 107-14, §8(a)(16), June 5, 2001, 115 Stat. 35.)

#### AMENDMENTS

2001—Pub. L. 107-14 substituted “hereinafter” for “hereafter”.

#### § 7672. Eligibility; agreement

(a) **ELIGIBILITY.**—To be eligible to participate in the Program, an individual must be an eligible Department employee who is accepted for enrollment or enrolled (as described in section 7602 of this title) as a full-time or part-time student in a field of education or training described in subsection (c).

(b) **ELIGIBLE DEPARTMENT EMPLOYEES.**—For purposes of subsection (a), an eligible Department employee is any employee of the Department who, as of the date on which the employee submits an application for participation in the Program, has been continuously employed by the Department for not less than one year.

(c) **QUALIFYING FIELDS OF EDUCATION OR TRAINING.**—A scholarship may be awarded under the Program only for education and training in a field leading to appointment or retention in a position under section 7401 of this title.

(d) **AWARD OF SCHOLARSHIPS.**—Notwithstanding section 7603(d) of this title, the Secretary, in selecting participants in the Program, may award a scholarship only to applicants who have a record of employment with the Veterans Health Administration which, in the judgment of the Secretary, demonstrates a high likelihood that the applicant will be successful in completing such education or training and in employment in such field.

(e) **AGREEMENT.**—(1) An agreement between the Secretary and a participant in the Program shall (in addition to the requirements set forth in section 7604 of this title) include the following:

(A) The Secretary's agreement to provide the participant with a scholarship under the Program for a specified number (from one to three) of school years during which the participant pursues a course of education or training described in subsection (c) that meets the requirements set forth in section 7602(a) of this title.

(B) The participant's agreement to serve as a full-time employee in the Veterans Health Administration for a period of time (hereinafter in this subchapter referred to as the “period of obligated service”) determined in accordance with regulations prescribed by the Secretary of up to three calendar years for each school year or part thereof for which the participant was provided a scholarship under the Program, but for not less than 3 years.

(C) The participant's agreement to serve under subparagraph (B) in a Department facility selected by the Secretary.

(2) In a case in which an extension is granted under section 7673(c)(2) of this title, the number of years for which a scholarship may be provided under the Program shall be the number of school years provided for as a result of the extension.

(3) In the case of a participant who is a part-time student, the period of obligated service shall be reduced in accordance with the proportion that the number of credit hours carried by such participant in any such school year bears to the number of credit hours required to be carried by a full-time student in the course of training being pursued by the participant, but in no event to less than 1 year.

(Added Pub. L. 105-368, title VIII, §802(a), Nov. 11, 1998, 112 Stat. 3352; amended Pub. L. 107-14, §8(a)(16), June 5, 2001, 115 Stat. 35; Pub. L. 107-135, title I, §101(b), Jan. 23, 2002, 115 Stat. 2447.)

#### AMENDMENTS

2002—Subsec. (b). Pub. L. 107-135 substituted “one year” for “2 years”.

2001—Subsec. (e)(1)(B). Pub. L. 107-14 substituted “hereinafter” for “hereafter”.

#### § 7673. Scholarship

(a) **SCHOLARSHIP.**—A scholarship provided to a participant in the Program for a school year shall consist of payment of the tuition (or such portion of the tuition as may be provided under subsection (b)) of the participant for that school year and payment of other reasonable edu-

cational expenses (including fees, books, and laboratory expenses) for that school year.

(b) AMOUNTS.—The total amount of the scholarship payable under subsection (a)—

(1) in the case of a participant in the Program who is a full-time student, may not exceed \$10,000 for the equivalent of one year of full-time coursework; and

(2) in the case of a participant in the Program who is a part-time student, shall bear the same ratio to the amount that would be paid under paragraph (1) if the participant were a full-time student in the course of education or training being pursued by the participant as the coursework carried by the participant to full-time coursework in that course of education or training.

(c) LIMITATIONS ON PERIOD OF PAYMENT.—(1) The maximum number of school years for which a scholarship may be paid under subsection (a) to a participant in the Program shall be six school years.

(2) A participant in the Program may not receive a scholarship under subsection (a) for more than the equivalent of three years of full-time coursework.

(d) PAYMENT OF EDUCATIONAL EXPENSES BY EDUCATIONAL INSTITUTIONS.—The Secretary may arrange with an educational institution in which a participant in the Program is enrolled for the payment of the educational expenses described in subsection (a). Such payments may be made without regard to subsections (a) and (b) of section 3324 of title 31.

(e) FULL-TIME COURSEWORK.—For purposes of this section, full-time coursework shall consist of the following:

(1) In the case of undergraduate coursework, 30 semester hours per undergraduate school year.

(2) In the case of graduate coursework, 18 semester hours per graduate school year.

(Added Pub. L. 105-368, title VIII, §802(a), Nov. 11, 1998, 112 Stat. 3353; amended Pub. L. 107-135, title I, §101(c)-(e), Jan. 23, 2002, 115 Stat. 2447, 2448.)

#### AMENDMENTS

2002—Subsec. (b)(1). Pub. L. 107-135, §101(c)(1), substituted “for the equivalent of one year of full-time coursework” for “for any 1 year”.

Subsec. (b)(2). Pub. L. 107-135, §101(c)(2), added par. (2) and struck out former par. (2) which read as follows: “in the case of a participant in the Program who is a part-time student, shall be the amount specified in paragraph (1) reduced in accordance with the proportion that the number of credit hours carried by the participant in that school year bears to the number of credit hours required to be carried by a full-time student in the course of education or training being pursued by the participant.”

Subsec. (c). Pub. L. 107-135, §101(d), amended heading and text of subsec. (c) generally. Prior to amendment, text read as follows:

“(1) Subject to paragraph (2), a participant in the Program may not receive a scholarship under subsection (a) for more than three school years.

“(2) The Secretary may extend the number of school years for which a scholarship may be awarded to a participant in the Program who is a part-time student to a maximum of six school years if the Secretary determines that the extension would be in the best interest of the United States.”

Subsec. (e). Pub. L. 107-135, §101(e), added subsec. (e).

#### SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 7631, 7672, 7675 of this title.

#### § 7674. Obligated service

(a) IN GENERAL.—Each participant in the Program shall provide service as a full-time employee of the Department for the period of obligated service provided in the agreement of the participant entered into under section 7603 of this title. Such service shall be provided in the full-time clinical practice of such participant's profession or in another health-care position in an assignment or location determined by the Secretary.

(b) DETERMINATION OF SERVICE COMMENCEMENT DATE.—(1) Not later than 60 days before a participant's service commencement date, the Secretary shall notify the participant of that service commencement date. That date is the date for the beginning of the participant's period of obligated service.

(2) As soon as possible after a participant's service commencement date, the Secretary shall—

(A) in the case of a participant who is not a full-time employee in the Veterans Health Administration, appoint the participant as such an employee; and

(B) in the case of a participant who is an employee in the Veterans Health Administration but is not serving in a position for which the participant's course of education or training prepared the participant, assign the participant to such a position.

(3)(A) In the case of a participant receiving a degree from a school of medicine, osteopathy, dentistry, optometry, or podiatry, the participant's service commencement date is the date upon which the participant becomes licensed to practice medicine, osteopathy, dentistry, optometry, or podiatry, as the case may be, in a State.

(B) In the case of a participant receiving a degree from a school of nursing, the participant's service commencement date is the later of—

(i) the participant's course completion date; or

(ii) the date upon which the participant becomes licensed as a registered nurse in a State.

(C) In the case of a participant not covered by subparagraph (A) or (B), the participant's service commencement date is the later of—

(i) the participant's course completion date; or

(ii) the date the participant meets any applicable licensure or certification requirements.

(4) The Secretary shall by regulation prescribe the service commencement date for participants who were part-time students. Such regulations shall prescribe terms as similar as practicable to the terms set forth in paragraph (3).

(c) COMMENCEMENT OF OBLIGATED SERVICE.—(1) Except as provided in paragraph (2), a participant in the Program shall be considered to have begun serving the participant's period of obligated service—

(A) on the date, after the participant's course completion date, on which the participant (in accordance with subsection (b)) is appointed as a full-time employee in the Veterans Health Administration; or

(B) if the participant is a full-time employee in the Veterans Health Administration on such course completion date, on the date thereafter on which the participant is assigned to a position for which the participant's course of training prepared the participant.

(2) A participant in the Program who on the participant's course completion date is a full-time employee in the Veterans Health Administration serving in a capacity for which the participant's course of training prepared the participant shall be considered to have begun serving the participant's period of obligated service on such course completion date.

(d) **COURSE COMPLETION DATE DEFINED.**—In this section, the term “course completion date” means the date on which a participant in the Program completes the participant's course of education or training under the Program.

(Added Pub. L. 105-368, title VIII, §802(a), Nov. 11, 1998, 112 Stat. 3354.)

#### § 7675. Breach of agreement: liability

(a) **LIQUIDATED DAMAGES.**—A participant in the Program (other than a participant described in subsection (b)) who fails to accept payment, or instructs the educational institution in which the participant is enrolled not to accept payment, in whole or in part, of a scholarship under the agreement entered into under section 7603 of this title shall be liable to the United States for liquidated damages in the amount of \$1,500. Such liability is in addition to any period of obligated service or other obligation or liability under the agreement.

(b) **LIABILITY DURING COURSE OF EDUCATION OR TRAINING.**—(1) Except as provided in subsection (d), a participant in the Program shall be liable to the United States for the amount which has been paid to or on behalf of the participant under the agreement if any of the following occurs:

(A) The participant fails to maintain an acceptable level of academic standing in the educational institution in which the participant is enrolled (as determined by the educational institution under regulations prescribed by the Secretary).

(B) The participant is dismissed from such educational institution for disciplinary reasons.

(C) The participant voluntarily terminates the course of education or training in such educational institution before the completion of such course of education or training.

(D) The participant fails to become licensed to practice medicine, osteopathy, dentistry, podiatry, or optometry in a State, fails to become licensed as a registered nurse in a State, or fails to meet any applicable licensure requirement in the case of any other health-care personnel who provide either direct patient-care services or services incident to direct patient-care services, during a period of time determined under regulations prescribed by the Secretary.

(E) In the case of a participant who is a part-time student, the participant fails to maintain employment, while enrolled in the course of training being pursued by the participant, as a Department employee.

(2) Liability under this subsection is in lieu of any service obligation arising under a participant's agreement.

(c) **LIABILITY DURING PERIOD OF OBLIGATED SERVICE.**—(1) Except as provided in subsection (d), if a participant in the Program breaches the agreement by failing for any reason to complete such participant's period of obligated service, the United States shall be entitled to recover from the participant an amount determined in accordance with the following formula:

$$A=3\Phi \left( \frac{t-s}{t} \right)$$

(2) In such formula:

(A) “A” is the amount the United States is entitled to recover.

(B) “Φ” is the sum of—

(i) the amounts paid under this subchapter to or on behalf of the participant; and

(ii) the interest on such amounts which would be payable if at the time the amounts were paid they were loans bearing interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States.

(C) “t” is the total number of months in the participant's period of obligated service, including any additional period of obligated service in accordance with section 7673(c)(2) of this title.

(D) “s” is the number of months of such period served by the participant in accordance with section 7673 of this title.

(d) **LIMITATION ON LIABILITY FOR REDUCTIONS-IN-FORCE.**—Liability shall not arise under subsection (b)(1)(E) or (c) in the case of a participant otherwise covered by the subsection concerned if the participant fails to maintain employment as a Department employee due to a staffing adjustment.

(e) **PERIOD FOR PAYMENT OF DAMAGES.**—Any amount of damages which the United States is entitled to recover under this section shall be paid to the United States within the 1-year period beginning on the date of the breach of the agreement.

(Added Pub. L. 105-368, title VIII, §802(a), Nov. 11, 1998, 112 Stat. 3355.)

#### [§ 7676. Repealed. Pub. L. 107-135, title I, § 101(a)(1), Jan. 23, 2002, 115 Stat. 2447]

Section, added Pub. L. 105-368, title VIII, §802(a), Nov. 11, 1998, 112 Stat. 3356, provided that the Secretary could not furnish scholarships to individuals who had not commenced participation in the Program before Dec. 31, 2001.

#### SUBCHAPTER VII—EDUCATION DEBT REDUCTION PROGRAM

##### SUBCHAPTER REFERRED TO IN OTHER SECTIONS

This subchapter is referred to in sections 7601, 7603, 7631 of this title.



**§ 7681. Authority for program**

(a) IN GENERAL.—(1) As part of the Educational Assistance Program, the Secretary may carry out an education debt reduction program under this subchapter. The program shall be known as the Department of Veterans Affairs Education Debt Reduction Program (hereinafter in this subchapter referred to as the “Education Debt Reduction Program”).

(2) The purpose of the Education Debt Reduction Program is to assist in the recruitment of qualified health care professionals for positions in the Veterans Health Administration for which recruitment or retention of an adequate supply of qualified personnel is difficult.

(b) RELATIONSHIP TO EDUCATIONAL ASSISTANCE PROGRAM.—Education debt reduction payments under the Education Debt Reduction Program may be in addition to other assistance available to individuals under the Educational Assistance Program.

(Added Pub. L. 105-368, title VIII, §803(a), Nov. 11, 1998, 112 Stat. 3357; amended Pub. L. 107-14, §8(a)(16), June 5, 2001, 115 Stat. 35.)

**AMENDMENTS**

2001—Subsec. (a)(1). Pub. L. 107-14 substituted “hereinafter” for “hereafter”.

**§ 7682. Eligibility**

(a) ELIGIBILITY.—An individual is eligible to participate in the Education Debt Reduction Program if the individual—

(1) is a recently appointed employee in the Veterans Health Administration serving in a position (as determined by the Secretary) providing direct-patient care services or services incident to direct-patient care services for which recruitment or retention of qualified health-care personnel (as so determined) is difficult; and

(2) owes any amount of principal or interest under a loan, the proceeds of which were used by or on behalf of that individual to pay costs relating to a course of education or training which led to a degree that qualified the individual for the position referred to in paragraph (1).

(b) COVERED COSTS.—For purposes of subsection (a)(2), costs relating to a course of education or training include—

(1) tuition expenses;

(2) all other reasonable educational expenses, including expenses for fees, books, and laboratory expenses; and

(3) reasonable living expenses.

(c) RECENTLY APPOINTED INDIVIDUALS.—For purposes of subsection (a), an individual shall be considered to be recently appointed to a position if the individual has held that position for less than 6 months.

(Added Pub. L. 105-368, title VIII, §803(a), Nov. 11, 1998, 112 Stat. 3357; amended Pub. L. 107-135, title I, §102(b), Jan. 23, 2002, 115 Stat. 2448.)

**AMENDMENTS**

2002—Subsec. (a)(1). Pub. L. 107-135 substituted “in a position (as determined by the Secretary) providing direct-patient care services or services incident to direct-

patient care services” for “under an appointment under section 7402(b) of this title in a position” and “(as so determined)” for “(as determined by the Secretary)”.

**TEMPORARY EXPANSION OF INDIVIDUALS ELIGIBLE FOR PARTICIPATION IN PROGRAM**

Pub. L. 107-135, title I, §102(e), Jan. 23, 2002, 115 Stat. 2449, provided that:

“(1) Notwithstanding section 7682(c) of title 38, United States Code, the Secretary of Veterans Affairs may treat a covered individual as being a recently appointed employee in the Veterans Health Administration under section 7682(a) of that title for purposes of eligibility in the Education Debt Reduction Program if the Secretary determines that the participation of the individual in the Program under this subsection would further the purposes of the Program.

“(2) For purposes of this subsection, a covered individual is any individual otherwise described by section 7682(a) of title 38, United States Code, as in effect on the day before the date of the enactment of this Act [Jan. 23, 2002], who—

“(A) was appointed as an employee in a position described in paragraph (1) of that section, as so in effect, between January 1, 1999, and December 31, 2001; and

“(B) is an employee in such position, or in another position described in paragraph (1) of that section, as so in effect, at the time of application for treatment as a covered individual under this subsection.

“(3) The Secretary shall make determinations regarding the exercise of the authority in this subsection on a case-by-case basis.

“(4) The Secretary may not exercise the authority in this subsection after June 30, 2002. The expiration of the authority in this subsection shall not affect the treatment of an individual under this subsection before that date as a covered individual for purposes of eligibility in the Education Debt Reduction Program.

“(5) In this subsection, the term ‘Education Debt Reduction Program’ means the Department of Veterans Affairs Education Debt Reduction Program under subchapter VII of chapter 76 of title 38, United States Code.”

**SECTION REFERRED TO IN OTHER SECTIONS**

This section is referred to in section 7683 of this title.

**§ 7683. Education debt reduction**

(a) IN GENERAL.—Education debt reduction payments under the Education Debt Reduction Program shall consist of payments to individuals selected to participate in the program of amounts to reimburse such individuals for payments by such individuals of principal and interest on loans described in section 7682(a)(2) of this title.

(b) FREQUENCY OF PAYMENT.—(1) The Secretary may make education debt reduction payments to any given participant in the Education Debt Reduction Program on a monthly or annual basis, as determined by the Secretary.

(2) The Secretary shall make such payments at the end of the period determined by the Secretary under paragraph (1).

(c) PERFORMANCE REQUIREMENT.—The Secretary may make education debt reduction payments to a participant in the Education Debt Reduction Program for a period only if the Secretary determines that the individual maintained an acceptable level of performance in the position or positions served by the participant during the period.

(d) MAXIMUM ANNUAL AMOUNT.—(1) Subject to paragraph (2), the amount of education debt re-